

Weekly — May 22, 2026

Economics Week Ahead

Next week's U.S. data should point to a resilient, but increasingly strained, consumer spending environment. We expect the PCE deflator rose 0.4% in April, weighing on household purchasing power and leaving real income growth soft. The housing market remains constrained, with renewed affordability pressures and supply-side constraints, and we expect new home sales fell back toward a 669K pace in April as higher mortgage rates and a weak labor market weigh on demand. In emerging markets, Brazil's growth likely held firm in Q1, but momentum is set to slow as inflation risks rise and policy remains restrictive. In Australia, we expect headline CPI to rise 4.7% year over year, driven largely by Easter holiday travel, with trimmed mean at 3.4%, while temporary fuel excise cuts keep energy prices more contained.

United States:

- [Personal Income & Spending](#) (Thursday), [New Home Sales](#) (Thursday)

G10 Economies:

- [Australia CPI](#) (Wednesday)

Emerging Markets:

- [Brazil GDP](#) (Friday)

Wells Fargo Economics Week Ahead				
United States				
Indicator Releases	Period	Consensus	Wells Fargo	Prior
26-May	Consumer Confidence	May	91.5	92.8
28-May	Durable Goods (MoM)	Apr	3.0%	3.5%
28-May	Durables Ex. Transportation (MoM)	Apr	0.4%	0.5%
28-May	Personal Income (MoM)	Apr	0.4%	0.6%
28-May	Personal Spending (MoM)	Apr	0.5%	0.9%
28-May	GDP Annualized (QoQ)	Q1 S	2.1%	2.0%
28-May	PCE (MoM)	Apr	0.5%	0.7%
28-May	PCE (YoY)	Apr	3.9%	3.5%
28-May	Core PCE(MoM)	Apr	0.3%	0.3%
28-May	Core PCE (YoY)	Apr	3.3%	3.2%
28-May	New Home Sales (SAAR)	Apr	663K	682K
Fed Speakers (*Designating 2026 Voting Member)				
26-May	Fed's Kashkari* Speaks at Bank of Japan Conference (8:20p ET)			
27-May	Fed's Logan* Speaks in Panel Discussion (4:00a ET)			
27-May	Fed's Cook* Speaks on AI, the Economy and Financial System (3:55p ET)			
27-May	Fed's Jefferson* Speaks on Panel (8:00p ET)			
27-May	Fed's Goolsbee Participates in Panel (10:25p ET)			
28-May	Fed's Williams* Speaks at Reykjavik Economic Conference (8:55a ET)			
28-May	Fed's Musalem Speaks in Reykjavik (10:15a ET)			
28-May	Fed's Barkin Speaks in Moderated Discussion (3:00p ET)			
29-May	Fed's Mary Daly Speaks at Reagan National Economic Forum (12:00a ET)			
29-May	Kansas City Fed's Schmid Speaks in Reykjavik (6:50a ET)			
29-May	Fed Supervision Vice Chair Bowman* Speaks in Reykjavik (9:10a ET)			
29-May	Fed's Paulson* Speaks on Economic Outlook (9:15a ET)			
International				
G10 Economies	Period	Consensus	Wells Fargo	Prior
27-May	Australia CPI (MoM)	Apr	0.6%	0.9%
27-May	Australia CPI (YoY)	Apr	4.4%	4.6%
27-May	Australia Core CPI - Trimmed Mean (MoM)	Apr	0.3%	0.3%
27-May	Australia Core CPI - Trimmed Mean (YoY)	Apr	3.4%	3.3%
29-May	Canada GDP (MoM)	Mar	0.1%	0.2%
29-May	Canada GDP (YoY)	Mar	0.9%	1.0%
Emerging Markets	Period	Consensus	Wells Fargo	Prior
29-May	Brazil GDP (QoQ)	Q1	—	0.1%
29-May	Brazil GDP (YoY)	Q1	—	1.8%

Forecast as of May 22, 2026

Source: Bloomberg Finance L.P. and Wells Fargo Economics

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- [U.S. Economic Forecast](#)
- [FOMC 101](#)
- [U.S. Tariff Tracker](#)
- [U.S. Tariff Policy 101](#)
- [2026 Economic Calendar](#)

All estimates/forecasts are as of 5/22/2026 unless otherwise stated. 5/22/2026 12:14:23 EDT.

U.S. Week Ahead

Personal Income & Spending • Thursday

Broad consumer spending carried into April, but the backdrop is becoming more challenging as the conflict in Iran drags on. Control group retail sales (sales excluding gas, autos, building materials, and restaurants) rose 0.5% during the month and growth remained positive even when adjusting for higher prices. That decent growth, along with some modest upward revisions to prior data, suggests goods spending started off on a decent clip in the second quarter. Still, households are operating in a constrained environment, with rising trade-offs in how spending is allocated.

We estimate consumer inflation measured by the PCE deflator rose 0.4% in April, offsetting nearly all the 0.5% gain we expect in nominal spending growth. Renewed price pressure is eroding household purchasing power, while a cooling labor market and lackluster hiring are weighing on wage growth. We look for broad personal income to rise 0.4%, leaving real income growth weak and unlikely to sustain current spending momentum.

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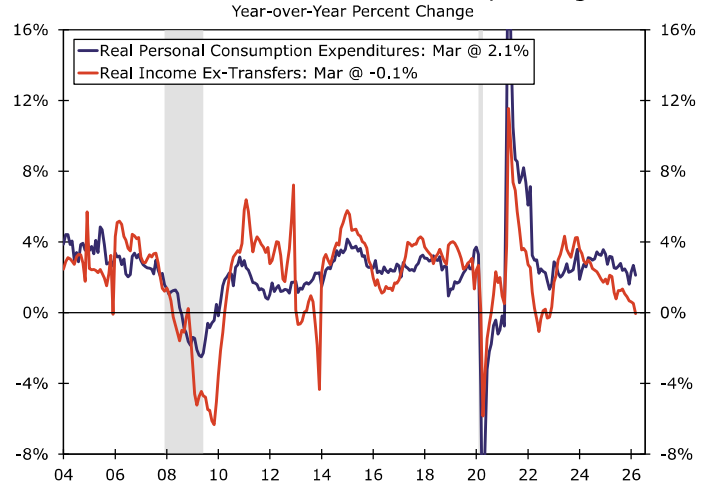
New Home Sales • Thursday

The trend in sales has firmed over the past several months. During March, the pace of sales rose to 682K, a 3.3% year-over-year gain. That said, the new home market remains generally soft. Builders continue to lean on incentives such as mortgage rate buy-downs and price cuts to support demand, and in March, the median new home price was down 6.2% on a yearly basis. Meanwhile, inventory remained high with the count of new homes available for sale at 481K in March.

Looking forward, we expect new home sales fell back to a 669K unit pace in April. Mortgage rates have legged higher in recent months and are currently hovering around 6.5%, largely reflecting the war in the Middle East and the potential for an end to the Fed's easing cycle on account of higher inflation. In addition to renewed affordability challenges, weak labor market fundamentals represent another headwind for demand. What's more, builders are contending with several supply-side constraints, including elevated inventory levels, higher land prices and increased building material and labor costs.

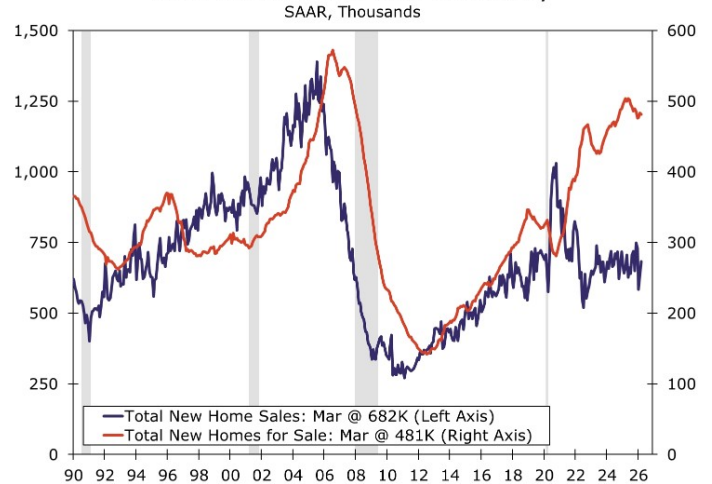
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Real Household Income vs. Spending



Source: U.S. Department of Commerce and Wells Fargo Economics

New Home Sales and Inventory



Source: U.S. Department of Commerce and Wells Fargo Economics

G10 Week Ahead

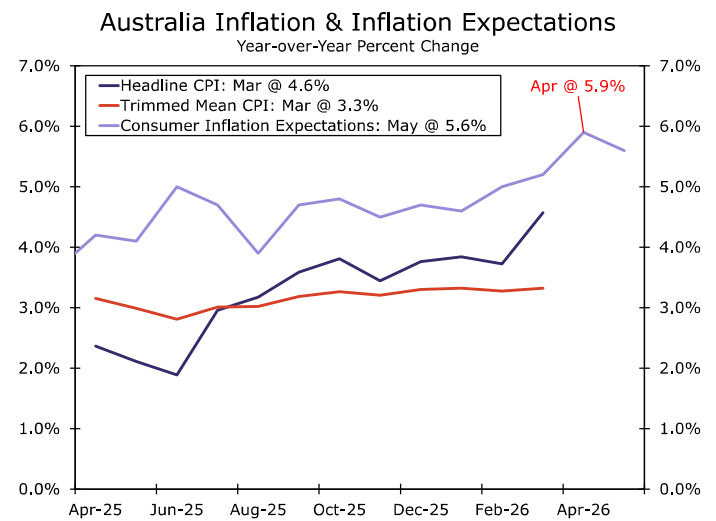
Australia CPI • Wednesday

Next week brings Australia's April inflation release. We expect headline CPI to rise 4.7% year over year, with trimmed mean inflation at 3.4%. In March, CPI rose 4.6%, driven largely by a 33% month-over-month surge in fuel prices. The government announced temporary measures to reduce fuel excise by half from April 1, which lowered average petrol pump prices. At its May monetary policy meeting, the Reserve Bank of Australia (RBA) said it expected the measure to subtract around 0.5 percentage points from year-over-year inflation in April.

Still, the cost shock appears broader than fuel. April PMIs and business surveys pointed to stronger price pressures, with firms also raising output prices at one of the fastest rates in the survey's decade-long history. Pass-through may be visible across food, recreation, and housing-related categories. Restaurants have enacted temporary fuel surcharges, while reports also point to sharp increases in building material costs, including pipes, timber, and plastic. Seasonal Easter travel could also lift recreation and culture inflation.

With the RBA focused on inflation risks and inflation expectations as its "north star," the April data will be important for gauging how quickly higher input costs are moving through the broader inflation basket. A stronger-than-expected print would raise upside risks to the Cash Rate, especially after the 2026–27 Federal Budget leaned more stimulative. At the same time, recent labor market data have shown some signs of easing, which supports a data-dependent approach. We continue to expect a June hold and an August hike, bringing the Cash Rate to a terminal rate of 4.60%, with the RBA's next move contingent on developments in the Middle East conflict, inflation's response to this year's three rate hikes, growth, and labor market conditions.

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Source: Bloomberg Finance L.P. and Wells Fargo Economics

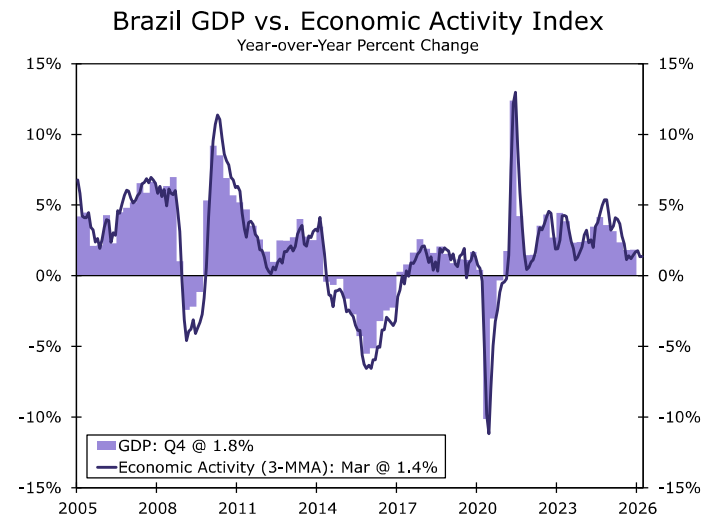
EM Week Ahead

Brazil GDP • Friday

Brazil's Q1-2026 GDP data are due next week and are likely to show that the economy expanded by 1.0% quarter over quarter and 1.5% year over year. Strong real wage gains and supportive fiscal policy have continued to underpin consumption, helping activity start the year on solid footing. However, growth is likely to soften beyond Q1 as restrictive policy weighs more heavily on activity. The inflation backdrop has also become more complicated, as disinflation from last year's aggressive tightening faces renewed external price pressures from the war in the Middle East and persistent domestic fiscal risks. Election-year dynamics are also likely to add pressure for more stimulative fiscal policy, while longer-term inflation expectations have moved higher across survey-based and market-based measures. These factors should constrain the scope for monetary easing.

Against this backdrop, we still expect the Brazilian Central Bank (BCB) to proceed with monetary easing, but at a more cautious pace than anticipated at the start of the year. We now see fewer cuts over the remainder of 2026. While easing is still likely to extend into 2027, we expect a higher terminal rate as policy decisions become increasingly driven by the evolving inflation outlook, rather than growth conditions alone.

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Source: Bloomberg Finance L.P. and Wells Fargo Economics

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